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C O N F I D E N T I A L SECTION 01 OF 03 YEREVAN 000830

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TAGS: [PGOV](#) [PREL](#) [PARM](#) [TU](#) [AJ](#) [AM](#) [OVIP](#) [RICHARD](#) [ARMITAGE](#)

SUBJECT: REAFFIRMING TIES WITH ARMENIA: DEPUTY SECRETARY  
MEETS WITH OSKANIAN AND KOCHARIAN

Classified By: Ambassador John Ordway for reasons 1.5 (b) and (d).

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SUMMARY  
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1. (SBU) Deputy Secretary of State Richard Armitage's visit to Armenia galvanized U.S.-Armenia relations as he met with Armenian Foreign Minister Oskanian and President Kocharian in back-to-back meetings March 26. The meeting with Oskanian clearly set the agenda for the subsequent discussion with Kocharian, and the two meetings covered the range of the U.S.-Armenian agenda, touching briefly on Armenian domestic issues before moving to the range of Armenia's relationships with its neighbors Azerbaijan, Turkey, Georgia, Russia and Iran. The Foreign Minister and President also discussed Armenia's readiness to engage NATO and work on improving U.S.-Armenian military cooperation with the Deputy Secretary, including a new proposal (see paragraph 9). End Summary.

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STRIKINGLY WARM WELCOME  
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2. (C) Foreign Minister Vartan Oskanian himself greeted the Deputy Secretary and his party at the airport, a distinction usually reserved for heads of state. (Note: Oskanian had changed his travel plans to suit the Deputy Secretary's schedule; he was to have been in Minsk for new Russian Foreign Minister Lavrov's first CIS Ministerial. End Note.) President Kocharian chose to conduct most of his meeting in English: an indication of his desire to create a welcoming and cooperative atmosphere. The core of the U.S. side in the meetings consisted of Deputy Secretary Armitage, EUR A/S Jones, NSC Bryza and Charge. The Foreign Minister was joined by Deputy Foreign Minister Tatul Margarian, Head of the Americas Desk Lilit Toutkhalian and other staff. The President was joined by Oskanian, Minister of Defense Serzh Sargsian as well as staff members.

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ANTICIPATING OPPOSITION ACTIVITY  
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3. (C) Oskanian previewed possible domestic difficulties, noting that "We're going through a difficult period. Our opposition got excited at the example of (the Rose Revolution in) Georgia." He acknowledged that there will be some opposition demonstrations, and continued, "There will be tough times on both sides." Oskanian admitted that "our (presidential) elections were flawed" and he referred to international criticism as "to the point;" nonetheless, he noted that, "unlike Georgia, no one really questioned the outcome." In this context Oskanian raised the National Democratic Institute's (NDI) role in Armenia, saying that he thinks "they're doing a wonderful job." (Note: NDI's activities in Armenia are focused on building political party capacity. End Note.) He complained, however, that every time the opposition meets with NDI, the opposition portrays their meeting both to their own members and to the Armenian public in general as "proof" that the U.S. backs their cause. The Deputy Secretary made clear to Oskanian and later Kocharian that "We're not in the business of picking winners and losers."

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TROUBLED ARMENIAN-AZERBAIJANI RELATIONS  
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4. (C) Oskanian said that despite current heightened difficulties in Armenian-Azerbaijani relations there was no unusual tension along the line of conflict. Noting that the planned Prague meeting of Foreign Ministers had just been postponed, Oskanian said that he and Kocharian were already looking forward to a possible Kocharian-Aliyev meeting in Warsaw at the upcoming EU economic conference. Kocharian subsequently commented that he can "discuss everything with (Aliyev) but that doesn't mean that we can work together." He added that he's not sure Aliyev is ready to "take any step forward," owing to his domestic political situation or his own inexperience -- or both. Kocharian also described what he sees as a fundamental "ethnic incompatibility" between the Armenians and the Azerbaijanis, referring repeatedly to what he called a "cultural chasm" between Christianity and Islam.

Kocharian insisted, "I don't believe that European-style democracy is suitable for Azerbaijan: the more money from oil (they get), the less willing they will be to integrate into European structures." Kocharian maintained that the elder Aliyev understood these basic differences very well. Kocharian even quoted Aliyev as saying that "We have to separate from each other. Maybe someday we could be good neighbors." Referring to what he called Haydar Aliyev's sense of "historic responsibility" to solve the Nagorno-Karabakh conflict, Kocharian concluded that his impression of "Ilham is that he doesn't have the internal motivation to solve it."

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RUSSIA: COMPLEMENTARITY THE KEY  
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15. (C) Good relations with Russia are crucial, but Oskanian noted that Armenia is willing to also expand its cooperation with NATO, and Kocharian pointed out that "We don't want to gain from the contradiction with you and Russia. We want to gain from the cooperation between you -- and we can." Kocharian noted that the Russians could play a positive role in Ajara and agreed that "we have to keep things stable in Georgia." Kocharian went on to say that he believes President Putin "understands (the need for a stable situation in Georgia) very well and ... things have calmed down in Ajara because of Putin." When the Deputy Secretary suggested that Putin had been pleasantly surprised about Saakashvili, Kocharian agreed, saying "Putin told me the same thing. It's important to reach agreement (in Ajara) and then enforce the agreement."

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GEORGIA: ESSENTIAL LIFE-LINE  
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16. (C) Oskanian pointed out how crucial stability in Georgia is for Armenia. (Note: The vast majority of energy and other essential goods that Armenia imports transit through Georgia. End Note.) Kocharian added that the GOAM had kept in contact with Georgia throughout the crisis in Ajara, although they hadn't "advertised" it, and cited military, presidential and diplomatic contacts at all levels. He also noted that Minister of Defense Sargsian will be in Tbilisi April 1 to consult with his colleagues there. Both Oskanian and Kocharian noted that Armenia and Georgia share fundamental values such as Christianity which further strengthened their relationship.

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TURKEY: AZERBAIJANI TOOL  
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17. (C) Citing GOAM disappointment with the lack of progress in the relationship with Turkey, Oskanian noted that Kocharian would not be attending the upcoming Istanbul Summit in Turkey. The most recent two of his three meetings with Turkish FM Gul had not gone well, Oskanian said. It appeared to him that Turkey had hardened its position that its border with Armenia would remain closed until the N-K conflict had been resolved. Kocharian went further, lambasting the Turkish government for letting itself be used as a "tool" for Azerbaijan. He added that Turkey was incapable of "pragmatism" when it came to Armenia and that Turkey was "too emotional" to work together with Armenia to improve relations. Kocharian concluded that "We are ready to discuss relations, to negotiate everything without preconditions: this is not easy for an Armenian president!"

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IRAN: GAS PIPELINE ON EVERYONE'S MIND  
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18. (C) Oskanian assured the Deputy Secretary that an effective export control regime is firmly in place vis-a-vis Iran, and emphasized that the "gas pipeline is becoming a reality." Oskanian further outlined a scenario in which the paperwork for the Iran-Armenian Pipeline would be completed early this year, construction would begin in 2004, and gas would flow in 2006. Kocharian agreed with Oskanian that the pipeline is just around the corner, noting that the "most efficient cooperation (Armenia has) with Iran is in the field of energy," specifically on the pipeline. Kocharian noted, however, that Armenia still needed to look for funding for its portion of the pipeline. Options include asking the EU for the money, funding the project out of the state budget, or negotiating with Russian energy giant Gazprom for possible financing. (Note: Embassy doubts that any of these options is viable at this time. End Note.) Kocharian also mentioned that Iran is ready to loan Armenia the necessary funding, but wryly acknowledged that Armenia had never "received a cent from Iran" in the past.

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MILITARY COOPERATION WITH THE U.S. AND NATO TO INCREASE  
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19. (C) Noting that Armenia's special relationship with Russia does not preclude increased cooperation with NATO (see above), Oskanian highlighted Armenia's readiness to move to an IPAP with NATO, its intention to upgrade its representation to NATO, and its willingness to undertake a defense assessment. Oskanian repeated GOAM concern about the lack of FMF parity with Azerbaijan in the proposed USG assistance budget and asked, "What can we do for projects to get the FMF amounts to parity?" Oskanian then suggested establishing a program to train and equip a company-sized peacekeeping force (to be deployed under UN Chapter 6). The Deputy Secretary promised to bring this new proposal to Washington for consideration. Kocharian also underscored his desire for increased military cooperation, saying that the only limitations would be that the U.S. could not use those bases where Russians were currently stationed. Kocharian emphasized that, "Our relationship with Russia is very good but it's not a relationship where they can dictate things to us."

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COMMENT

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110. (C) Both Kocharian and Oskanian clearly appreciated the Deputy Secretary's commitment to pay more attention to our relationships in the region and to Armenia in particular. The warmth and candor which characterized the meetings suggest that Armenia is eager to deepen its relationship with the USG. The GOAM will be watching closely to see if U.S. attention flags, and will remain strongly aware that, as Kocharian noted, "the U.S. is far away, but it is everywhere."  
ORDWAY